

Message Text

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ORIGIN AGRE-00

INFO OCT-01 EUR-12 ISO-00 CIAE-00 COME-00 EB-08 INR-10
LAB-04 NSAE-00 SP-02 STR-07 TRSE-00 FRB-03 OMB-01
XMB-02 OES-09 SS-15 NSC-05 /079 R

DRAFTED BY AGRIC/FAS/ITP/ADUYMOVIC:RT
APPROVED BY EUR/EE:CWSCHMIDT
FAS/ITP/DSCHOONOVER
FAS/ITP/GWHITE
FAS/AA/RSEULER
AGRIC/ERBEVIS
STATE/EUR/EE/JSEYMOUR

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PASS TO AG ATTACHE

E.O. 11652:

TAGS: EAGR, PL

SUBJECT: AGRICULTURAL JOINT WORKING GROUP MEETING, JULY
10-11

REF: (A) STATE 176059 (B) STATE 177713

1. COPY OF MINUTES OF MEETING, SIGNED JULY 11, AND BRIEF-
ING MATERIAL USED BY US DELEGATION HAS BEEN POUCHED TO
AGATT. HIGHLIGHTS OF MEETING FOLLOW:

A. INFORMATION EXCHANGE. POLISH STATEMENT ON CURRENT
SITUATION RATHER PESSIMISTIC, AND IN MID-JUNE WAS CONSID-
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ERED QUITE CRITICAL IN NW. CONDITIONS IMPROVED SOMEWHAT
SINCE MID-JUNE. GRAIN CROP EXPECTED TO BE BETTER THAN 1977,
BUT NOT LIKELY TO EXCEED 1976 LEVEL. POTATOES WILL RECOVER
FROM LAST YEAR'S SHORT CROP. WHILE RAPESEED HARVESTED
AREA EXPECTED TO BE LOWER THAN 1977, CROP SHOULD BE BETTER,
PERHAPS SAME LEVEL AS 1976.

U.S. SIDE EXPRESSED DISAPPOINTMENT REGARDING TIMING OF DATA EXCHANGE MOST OF THE PAST YEAR. POLES AGREED AND IMPROVEMENT SHOULD TAKE PLACE.

B. EXIM BANK OFFICERS REVIEWED CREDIT PROGRAMS RELATED TO AGRICULTURAL PROJECTS. POLES PARTICULARLY INTERESTED IN SCOPE OF FINANCING FOR COMPLETELY INTEGRATED VEGETABLE PROCESSING OPERATION, BREEDING LIVESTOCK IMPORTS AND CONSTRUCTION OF GRAIN ELEVATORS. PRIVATE DISCUSSIONS INDICATED POLES INTEREST IN POTATO, TOMATO AND SWEET CORN PROCESSING. ON VEGETABLE PROJECT REPAYMENT OF EXIM FINANCING WOULD BEGIN 6 MONTHS AFTER COMMERCIAL OPERATION STARTS. PESTICIDES AND CHEMICALS CANNOT BE FINANCED. IF FIELD MACHINERY IS SMALL PERCENT OF TOTAL COST (INCLUDING EQUIPMENT FOR PROCESSING PLANT) . . . EXIM OFFICER SAID PERHAPS 20 PERCENT . . . REPAYMENT ON FIELD MACHINERY CAN START AFTER COMMERCIAL OPERATION OF PLANT. POLES STARTED TAKING SOME NOTES WHEN LAST COMMENT WAS MADE.

C. TRADE. THE POLES STRESSED THE IMPORTANCE OF OVERALL AGRICULTURAL TRADE. THEY REQUESTED US ASSISTANCE IN INDICATING AREAS WHERE POLAND CAN EXPAND ITS EXPORTS TO THE US. THEY INDICATED A DESIRE TO PLAN PRODUCTION TO MEET SPECIFICATIONS FOR THE US MARKET. THE US SIDE RESPONDED OPTIMISTICALLY AND EXPRESSED USDA'S WILLINGNESS TO COOPERATE. THE POLES ALSO RESTATED THERE INTEREST IN A LONG-LIMITED OFFICIAL USE

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TERM GRAIN AGREEMENT, BALLOON PAYMENTS ON CCC CREDITS, AND INTERMEDIATE CREDITS. THE US-SIDE EXPLAINED THAT A LONG-TERM CONTRACT WOULD CONTRAVENE CURRENT US POLICY AND WOULD BE UNNECESSARY SINCE THE US HAS PROVEN ITSELF TO BE A RELIABLE PROVIDER. WE COULD HOWEVER CONSIDER A NON-BINDING UNDERSTANDING. THE US ALSO REITERATED THE POSITION THAT A REVISION OF OUTSTANDING CCC CREDITS IS IMPOSSIBLE AT THIS TIME. FOR THE FUTURE, IT WAS STATED THAT ALTHOUGH BALLOON PAYMENTS WOULD BE LEGAL, THEY ARE IMPRACTICAL SINCE THEY WOULD CURTAIL FUNDS FOR NEW LOANS. WE ARE STILL AWAITING THE OUTCOME OF INTERMEDIATE CREDIT LEGISLATION. STATUS OF PROPOSED LEGISLATION WAS REVIEWED FOR THE POLES.

D. FY 1979 REQUIREMENTS FOR CCC CREDIT. THE FOLLOWING WAS PRESENTED BY POLES. THEY ASKED USDA OFFICIALS TO KEEP IT FOR OFFICIAL USE AND NOT FOR PUBLIC RELEASE.

GRAINS	ABOUT 3 MILLION TONS
SOYBEANS AND MEAL	700,000 TONS
LINSEED AND COTTONSEED MEAL	150,000 TONS
LINSEED OIL	15,000 TONS
SOY PROTEIN	15,000 TONS

COTTON	10,000 TONS
TALLOW	10,000 TONS
TOBACCO	1,500 TONS

US SIDE INDICATED CCC BUDGET IS SLIGHTLY SMALLER THAN LAST YEAR. RECOMMENDATIONS MUST BE CLEARED AT HIGHER LEVEL IN USDA AND MUST CLEAR THE NATIONAL ADVISORY COUNCIL (NAC) THAT APPROVES ALL FOREIGN FINANCING. OGSM OFFICIAL INDI-

CATED HIGH PRIORITY WILL BE GIVEN TO MEETING POLISH NEEDS. BEFORE GOING BEFORE NAC, OGSM WILL NEED DATA ON TOTAL IMPORTS IN FY'S 1977 AND 1978; AND POLES' ANTICIPATED TOTAL IMPORTS IN FY 1979. POLISH DELEGATION INDICATED DATA TO BE PROVIDED IN ABOUT TWO WEEKS FOR ITEMS REQUESTED ABOVE. LIMITED OFFICIAL USE

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E. SCIENTIFIC EXCHANGES: THE POLES EXPRESSED INTEREST IN A SHORT TERM TRAINING PROGRAM FOR THEIR SPECIALISTS. THEY WERE APPARENTLY REFERRING TO A STATE DEPARTMENT PROGRAM, BUT THERE WAS SOME CONFUSION AT THE MEETING ABOUT THE SOURCE OF US FUNDING FOR THIS PROPOSAL. (SEE REFTELS). THE DISCUSSION CENTERED ON THE NEED TO FIND WAYS OF EXTENDING THE RESEARCH PROGRAM NOW THAT EXISTING FUNDS HAVE BEEN OBLIGATED. BOTH SIDES AGREED THAT THE JOINT RESEARCH PROGRAM HAS BEEN MUTUALLY BENEFICIAL AND SHOULD BE CONTINUED. BOTH SIDES FELT THAT THERE SHOULD BE AN EXCHANGE OF IDEAS BEFORE NEXT YEAR'S WORKING GROUP SESSION TO IDENTIFY AREAS OF MUTUAL INTEREST AND POSSIBLE NEW FORMS OF COOPERATION. IT WAS AGREED THAT MORE TIME NEEDS TO BE DEVOTED TO THE TOPIC OF SCIENTIFIC EXCHANGE.

2. THE POLES WERE HOSTED BY FMC AND EVIDENTLY HAD VERY SUCCESSFUL DISCUSSIONS. DEPUTY MINISTER ALSO VISITED CHICAGO BOARD OF TRADE, AND HOG/CORN FARM IN ILL. RUTKOWSKI ALSO MET BRIEFLY WITH SWIFT WHILE IN CHICAGO. GERTYCH WENT ON TO CALIFORNIA WITH FMC TO OBSERVE TOMATO OPERATIONS. VISIT BY DELEGATION TO MAINE CENTERED ON USE OF FURADAN AND POTATO PROCESSING. POLES RECEIVED BY SEC. BERGLAND AND KELLY HARRISON (OGSM). GREAT PLAINS WHEAT HOSTED RECEPTION. BOTH DELEGATIONS HOSTED LUNCHEONS. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURE, COMMITTEE MEETINGS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE192742
Document Source: CORE
Document Unique ID: 00
Drafter: RT
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780313-0871
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978072/aaaaabqj.tel
Line Count: 161
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d5f4e66c-c288-dd11-92da-001cc4696bcc
Office: ORIGIN AGRE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 176059, 78 STATE 177713
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1884724
Secure: OPEN
Status: NATIVE
Subject: AGRICULTURAL JOINT WORKING GROUP MEETING, JULY 10-11
TAGS: EAGR, PL
To: WARSAW
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/d5f4e66c-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014